

MEETING AGENDA

Meeting: Audit & Risk Committee
Date: October 19, 2022
Time: 8:30 AM
Location: online via webinar and teleconference
Teleconference: (844) 740-1264 / Meeting Number: 2453 203 2405 # / Attendee Number: #
<https://alaskamentalhealthtrust.org/>
Trustees: Kevin Fimon (Chair), Verné Boerner, Rhonda Boyles, Brent Fisher, Anita Halterman, Agnes Moran, John Sturgeon

Wednesday, October 19, 2022

Page No.

8:30	<u>Call Meeting to Order (Kevin Fimon, Chair)</u> Roll Call Announcements Approve Agenda Ethics Disclosure Approval of Minutes – July 26, 2022	4
8:35	Annual Audit Presentation / Update <ul style="list-style-type: none">Bikky Shrestha, Assurance Partner, BDO Anchorage OfficeVasily Shportko, Director, BDO Anchorage Office	hand-out
9:00	Staff Report(s) <ul style="list-style-type: none">Risk Management Plan	8
9:45	Adjourn	

Future Meeting Dates

Full Board of Trustee / Program & Planning / Resource Management / Audit & Risk / Finance

(Updated – October 2022)

- | | | |
|--------------------------------|----------------------------|------------------------|
| • Audit & Risk Committee | October 19, 2022 | (Wed) |
| • Finance Committee | October 19, 2022 | (Wed) |
| • Resource Mgt Committee | October 19, 2022 | (Wed) |
| • Program & Planning Committee | October 20, 2022 | (Thu) |
| • Full Board of Trustee | November 16-17, 2022 | (Wed, Thu) – Anchorage |
| | | |
| • Audit & Risk Committee | January 5, 2023 | (Thu) |
| • Finance Committee | January 5, 2023 | (Thu) |
| • Resource Mgt Committee | January 5, 2023 | (Thu) |
| • Program & Planning Committee | January 6, 2023 | (Fri) |
| • Full Board of Trustee | January 24-25, 2023 | (Tue, Wed) – Juneau |
| | | |
| • Audit & Risk Committee | April 19, 2023 | (Wed) |
| • Finance Committee | April 19, 2023 | (Wed) |
| • Resource Mgt Committee | April 19, 2023 | (Wed) |
| • Program & Planning Committee | April 20, 2023 | (Thu) |
| • Full Board of Trustee | May 24-25, 2023 | (Wed, Thu) – TBD |
| | | |
| • Audit & Risk Committee | July 25, 2023 | (Tue) |
| • Finance Committee | July 25, 2023 | (Tue) |
| • Resource Mgt Committee | July 25, 2023 | (Tue) |
| • Program & Planning Committee | July 26-27, 2023 | (Wed, Thu) |
| • Full Board of Trustee | August 29-30, 2023 | (Tue, Wed) – Anchorage |

Future Meeting Dates Statutory Advisory Boards (Updated – July 2022)

Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse

AMHB: <http://dhss.alaska.gov/amhb/Pages/default.aspx>

ABADA: <http://dhss.alaska.gov/abada/Pages/default.aspx>

Executive Director: Bev Schoonover, (907) 465-5114, bev.schoonover@alaska.gov

- Executive Committee – monthly via teleconference (Second Tuesday of the Month)
- Fall Meeting: October TBD / Fairbanks

Governor’s Council on Disabilities and Special Education

GCDSE: <http://dhss.alaska.gov/gcdse/Pages/default.aspx>

Acting Executive Director: Patrick Reinhart, (907)269-8990, patrick.reinhart@alaska.gov

- Fall Meeting: October 13-15, 2022 / Girdwood & via Webinar

Alaska Commission on Aging

ACO: <http://dhss.alaska.gov/acoa/Pages/default.aspx>

Executive Director: Jon Haghayeghi, (907) 465-4879, jon.haghayeghi@alaska.gov

- Fall Meeting: October 3-5, 2022 / TBD
- Winter Meeting: December 5-6, 2022 / TBD

ALASKA MENTAL HEALTH TRUST AUTHORITY

AUDIT & RISK COMMITTEE MEETING

July 26, 2022

8:30 a.m.

WebEx Videoconference/Teleconference

Originating at:

3745 Community Park Loop, Suite 120

Anchorage, Alaska

Trustees Present:

Kevin Fimon, Chair

Brent Fisher

John Sturgeon

Anita Halterman

Agnes Moran

Trust Staff Present:

Steve Williams

Katie Baldwin-Johnson

Carol Howarth

Miri Smith-Coolidge

Luke Lind

Michael Baldwin

Katie Baldwin-Johnson

Valette Keller

Allison Biastock

Kat Roch

Also participating:

Beverly Schoonover; Nicholas Stoudt; Bikki Shrestha; Vasily Shportko.

PROCEEDINGS

CALL TO ORDER

CHAIR FIMON called the meeting to order and began with the roll call. He stated that Trustee Boerner was excused, and that we were waiting for Trustee Boyles. He asked for any announcements. There being none, he moved to the agenda.

APPROVAL OF THE AGENDA

MOTION: A motion to approve the agenda was made by TRUSTEE STURGEON; seconded by TRUSTEE HALTERMAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Fisher, yes; Trustee Sturgeon, yes; Trustee Moran, yes; Trustee Halterman, yes; Chair Fimon, yes).

CHAIR FIMON asked for any ethics disclosures. There being none, he moved to the minutes of October 20, 2021.

APPROVAL OF THE MINUTES

MOTION: A motion to approve the minutes of October 20, 2021, was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FISHER.

After the roll-call vote, the MOTION was APPROVED. (Trustee Fisher, yes; Trustee Sturgeon, yes; Trustee Moran, yes; Trustee Halterman, yes; Chair Fimon, yes).

STAFF REPORT

CHAIR FIMON moved to the Staff Report, and recognized CEO Williams

CEO WILLIAMS stated that the next three days of committee meetings are the biggest meetings of the annual cycle because they start to set the stage and then, prepare the trustees' recommendations for budget approvals that will occur at the August board meeting. He continued that the Audit and Risk Committee will report on where the process stands with the annual external financial audit. He added that Bikki Shrestha from BDO, and Senior Assurance Manager Vasily Shportko, will assist in the process of conducting the financial audit that will set the stage and assure trustees that a strong financial position is being maintained. The responsibility is not only for present-day beneficiaries, but also for future beneficiaries.

CHAIR FIMON stated, for the record, that Trustee Boyles was in attendance. He thanked Carol Howarth, CFO, for her help, and asked her to introduce the BDO speaker.

CFO HOWARTH introduced Bikki Shrestha, the assurance partner at BDO. She explained that BDO is one of the largest global financial accounting firms. The Trust has a long history with Mr. Shrestha, who was with Mikunda Cottrell, one of the earliest auditors before BDO purchased Mikunda Cottrell. She continued that BDO was just engaged for a new five-year contract. She added that the purpose today was to outline the plan for going forward with the FY22 audit. She recognized Mr. Shrestha.

MR. SHRESTHA stated that he was here to present the audit planning document for the audit.

He thanked the Trust for the opportunity to do the audit and have the planning and communication started. He moved to the audit draft document which provided an overview of the plan of the audit for the year. As your auditors, BDO is responsible for expressing an opinion on the financial statements based on the audit. It will be conducted in accordance with Government Auditing Standards because the Trust reports as Government, and is a component unit of the State. He stressed that BDO's responsibilities under Auditing Standards and Government Auditing Standards was to perform an audit of the financial statements. He described the process fully and what would be looked at in the audit. He noted that the entire financial statements are not audited, and they rely on the audit performed for the schedule of investments managed by the Alaska Permanent Fund Corporation, which is included in the report. He discussed the timing and the deadline for the financial statements.

CHAIR FIMON stated appreciation for the information and moved to a discussion of some of the nonfinancial BDO audit. He asked CFO Howarth to continue.

CFO HOWARTH continued that the Audit & Risk Committee charters outline an annual review of the Trust's risk management plan and to look at financial, nonfinancial, and strategic risks. That is important because of an overarching goal of the Trust's ability to provide grants that have a strong impact on the beneficiaries, and to protect the ability to provide long-term sustainable financial support for the beneficiaries for those grant programs. When asked about additional education she replied that the objective was to have this annual review done in small pieces over the year at any Audit Committee meeting driven by interest and need. She asked Valette Keller, the administrative manager, to continue.

MS. KELLER gave a short presentation on the information technology risks, management and mitigation. The main risks were catastrophic data loss; the interruption of business and/or the unauthorized access of confidential information. She continued with her overview of IT risks and mitigation that affects the Trust.

TRUSTEE HALTERMAN asked if there were any systems outages on the Trust Web site that were related to when the State suffered their network attack.

MS. KELLER replied that none of the Trust systems were affected. The systems are not connected directly to the State Department of Health and Social Services, but there was a definite impact on the beneficiaries.

TRUSTEE HALTERMAN asked if there were risk management issues to deal with in regard to the beneficiary network. She stated concern about the security risks and what we should pay attention to.

MS. KELLER clarified that in talking about grantee technology there is an ability to provide technical assistance for technology specifically to assist grantees with setting up security protocols and policies.

A brief question-and-answer discussion ensued.

CEO WILLIAMS talked about how this would move forward.

CHAIR FIMON asked for some input from the trustees as to the subject matters that are most pertinent or most important to them to build the agendas for the meetings. He thanked Ms. Howarth for her work and for the presentation. He also thanked Ms. Keller. He entertained a motion for adjournment.

MOTION: A motion to adjourn the meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fisher, yes; Trustee Sturgeon, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Fimon, yes.)

(Audit & Risk Committee meeting adjourned at 9:30 a.m.)



Risk Management Plan Review

Authority Grants

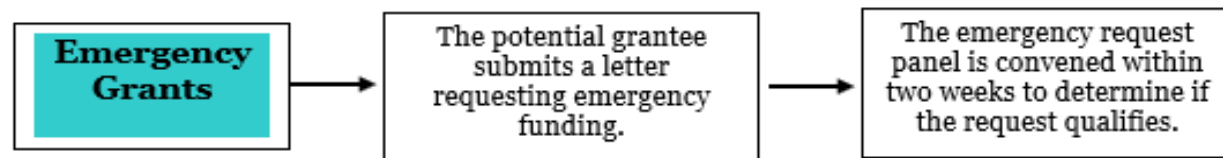
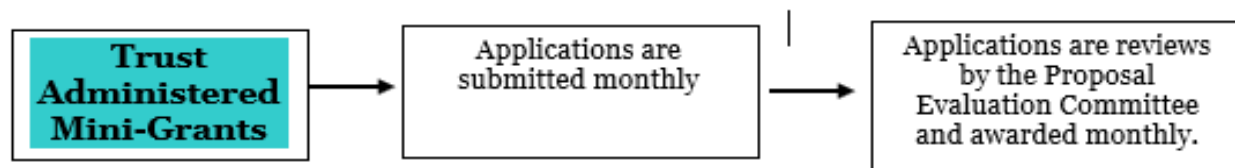
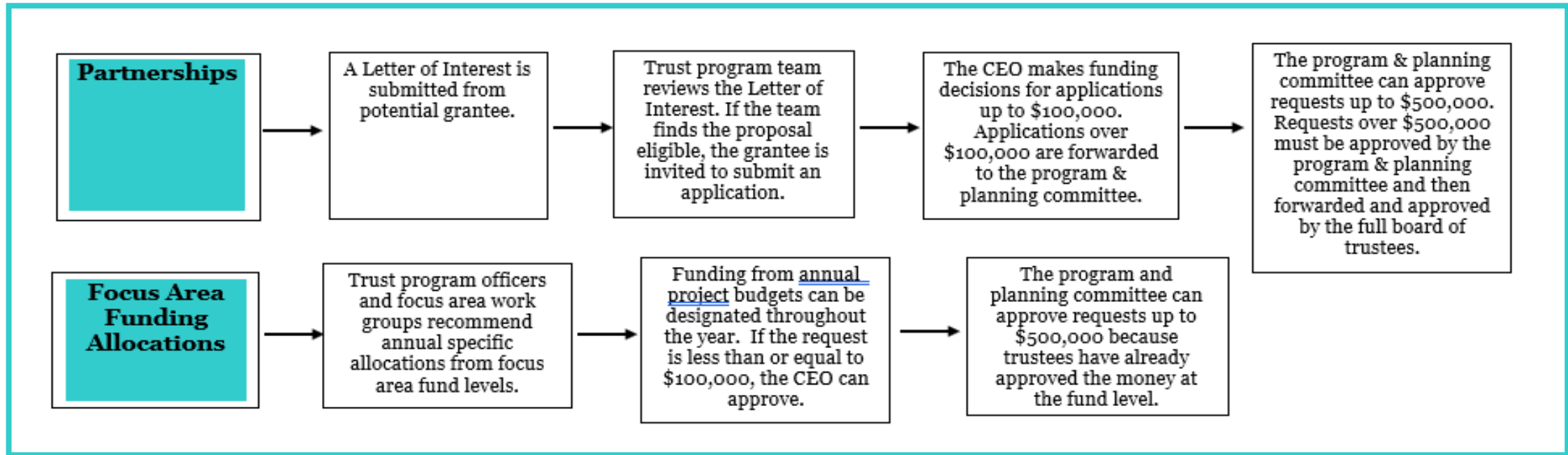
Audit & Risk Committee

October 19, 2022

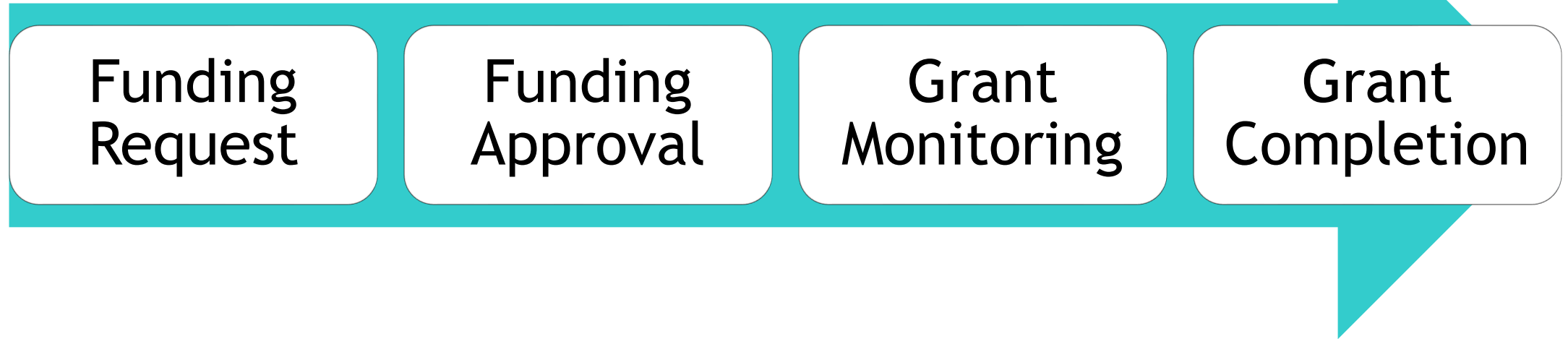
Trust
Alaska Mental Health
Trust Authority

Grant Approval Process for Authority Grant Funds

All annual budgets are approved by the full board of trustees at the September meeting



Authority Grant Life Cycle



Risk Mitigation Tools

- State of Alaska Services
- Trust Statute (AS 37.14 Special Funds, AS 47.30 AMHTA, AS 36.30. State Procurement Code)
- Administrative Code (20 AAC 40)
- Charters and Bylaws
- Alaska Administrative Manual
- Trust Standard Operating Procedures
- Trustee-approved Budget

Funding Request

Letters of Interest

Full Application



Mitigation Tools:	Staff Analysis & Vetting
Approved Budget	➤ Available Funding
Statute	➤ Direct Beneficiary Impact ➤ Tie with Comp Plan
Statute, Administrative Code	➤ Alignment with mission and priorities
Operating Procedures	➤ Project description ➤ Project's expected outcomes ➤ Performance measures ➤ Applicant capacity & capability ➤ Funding request type ➤ Other partner/funder involvement ➤ Self-sustaining and/or transition plan

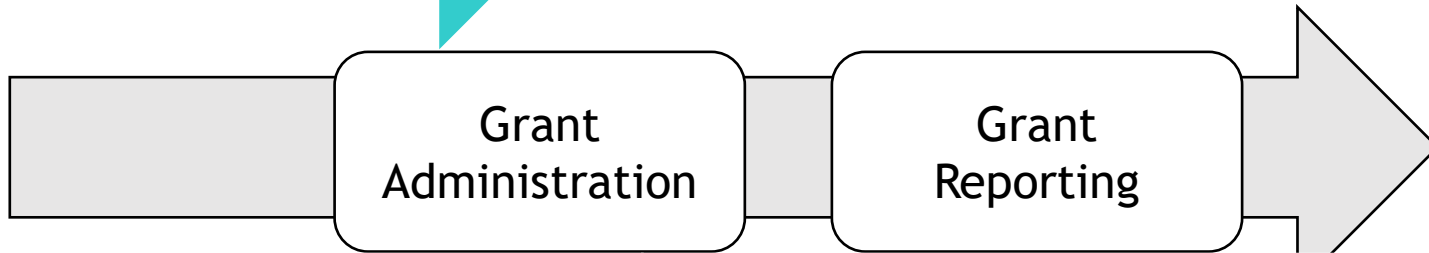
Funding Approval

Grant Approval



Mitigation Tools:	Review
Approved Budget, Charters, Administrative Code	➤ Full application staff analysis and vetting
Mitigation Tools:	Authority Limits
Approved Budget, Statute, Administrative Code, Operating Procedures	➤ Chief Executive Officer: Up to \$100K ➤ Program & Planning Committee: +\$100K-\$500K ➤ Board: Over \$500K

Grant Monitoring



Mitigation Tools:	Grant Agreement
Operating Procedures	➤ Project description, budget performance measures, reporting requirements, party signature
Mitigation Tools:	Grant Funding
State Services, Operating Procedures	➤ Disbursement controls
Mitigation Tools:	Grant Oversight
Operating Procedures	➤ Trust program & grants administrative staff monitoring
Mitigation Tools:	Grant Reports
Operating Procedures	➤ Programmatic and financial reporting

Grant Completion

Grant Closure

Mitigation Tools:

State Services,
Administrative Code,
Operating Procedures

Final Grant Reports

- Accountability
- Compliance
- Performance measures
- Financial requirements



Trustee Comments

